



DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

**STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL**

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

May 4, 2005

Governing Board  
Safford Unified School District No. 1  
734 11th Street  
Safford, AZ 85546

Members of the Board:

In our December 8, 2004, compliance review report we notified you that the District had not complied with the *Uniform System of Financial Records* (USFR) for the year ended June 30, 2003.

We have since reviewed the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2004, to determine whether the District was in compliance with the USFR as of that date. Based solely on our review of these documents, the District has complied with the USFR.

However, we noted that the District still had numerous internal control deficiencies cited by its auditors in the management letter and the USFR Compliance Questionnaire. These deficiencies indicate that the District's internal controls are especially weak in the area of student attendance reporting.

Although the cited deficiencies do not cause substantial noncompliance, the District must take corrective action to continue to satisfactorily comply with the USFR.

If you have questions concerning the deficiencies or how to correct them, or would like a written summary of deficiencies with recommendations for correction, please call Magdalene Haggerty, Accounting Services Director, or Gregg Rickert, Accounting Services Manager, at (602) 553-0333.

Sincerely,

Debra K. Davenport  
Auditor General

DKD/MH/gr

cc: Mr. Mark R. Tregaskes, Superintendent  
Mr. Roger Studley, Business Manager  
Safford Unified School District No. 1  
The Honorable Donna McGaughey, Graham County School Superintendent  
Ms. Vicki G. Salazar, Associate Superintendent of Financial Services  
Arizona Department of Education